

## Chapter 3 Analyzing a Company's Resources and Competitive Position

### Discussion questions

1. what is the relevance of the resource-based view of a firm to strategic management in a global environment?
2. how can value chain analysis help identify a company's strengths and weaknesses?
3. what are the pros and cons of management's using the experience curve to determine strategy?
4. in what ways can a corporation's structure and culture be internal strengths or weaknesses?

### Strategic practice exercises

Can you analyze a corporation by using the internet? Try the following exercise:

- a. Form into teams of around three to five people. Select a well-known publicly owned company to research .inform the instructor of your choice.
- b. Assign each person a separate task. One might be to find the latest financial statement. Another would be to learn as much as possible about the company's top management and board of directors. Another might be to identify the business model. Another might be to identify its key competitors.
- c. Conduct research on the company by using the internet only.
- d. Meet with your team members to discuss what you have found. What are the company's opportunities, threats, strengths and weakness? Go back to the internet for more information.
- e. Prepare a three to five-page typed report of the company. the report should include the information that answer following questions:
  1. does the company have any competencies? Are any of these distinctive(better than the competition)competencies ? Does the firm have any competitive advantage? Provide a SWOT analysis, using EAFS and IFAS table.
  2. what is the likely future of this firm if it continues on its current path?
  3. would you buy stock in this company? Assume that your team has 25000dollars to invest. Allocate the money among the four to five primary competitors in this industry. List the companies, the number of shares you would purchase of each, the cost of each share as of a given date, and the total cost for each purchase, assuming a typical commission used by an internet broker, such as E-Trade.

### Case study

Based on the information presented in the conclusion to this chapter, what would you recommend to the management of KFC?

Should it continue to experiment with healthier menu items, or should it just "stick to its knitting" by staying with fried food?

What resources and competencies are needed to adopt a health food strategy?